

UNIFIED SCHOOL DISTRICT NO. 461

Financial Statements
and
Supplemental Information

with Report of Independent Auditors

For the Year Ended June 30, 2015

Unified School District No. 461
Neodesha, Kansas
Special Financial Statements
For the Fiscal Period Ended June 30, 2015

INTRODUCTORY SECTION

Title Page	
Table of Contents	

FINANCIAL SECTION

Independent Auditor's Report	1-3
Summary of Cash Receipts, Expenditures, and Unencumbered Cash	4
Notes to Financial Statements	5-11

SUPPLEMENTARY INFORMATION

Schedule 1	
Summary of Expenditures - Actual and Budget	12
Schedule 2	
Statement of Receipts and Expenditures - Actual and Budget - Individually Presented by Fund	
General Fund	13-15
Supplemental General Fund	16-17
Special Purpose Funds	
At-Risk (4 Year Old)	18
At-Risk (K-12)	19
Capital Outlay Fund	20
Driver Training Fund	21
Food Service Fund	22
Professional Development Fund	23
Parent Education Fund	24
Special Education Fund	25
Vocational Education Fund	26
KPERS Fund	27
Contingency Reserve Fund	28
Recreation Commission Fund	29
Special Mini-Grants Fund	30
ESEA Low Income Title I Fund	31
Improving Teacher Quality Grant Fund	32
Innovative Education Strategies Program Fund	33
Bond and Interest Funds	
Bond and Interest Fund	34
Capital Projects	
Building Improvements	35

Unified School District No. 461
Neodesha, Kansas
Special Financial Statements
For the Fiscal Period Ended June 30, 2015

Schedule 3	
Statement of Cash Receipts and Disbursements - Agency Funds	36
Schedule 4	
Statement of Cash Receipts, Expenditures and Unencumbered Cash - District Activity Funds	37
APPENDIX A	
Auditor's Report on Compliance and Internal Control Governmental Auditing Standards	38
Auditor's Report on Compliance and Internal Control OMB Circular A-133	39-40
Schedule of Findings and Questioned Costs	41
Schedule of Expenditures of Federal Awards	42

INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 461
Neodesha, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 461, Neodesha, Kansas, as of and for the year ended June 30, 2015, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the Kansas Municipal Audit and Accounting Guide. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by Unified School District No. 461, Neodesha, Kansas, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 461, Neodesha, Kansas, as of June 30, 2015, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 461, Neodesha, Kansas, as of June 30, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Government Auditing Standards Report

In accordance with Government Auditing Standards, we have also issued our report dated January 7, 2016, on our consideration of Unified School District No. 461's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing results of our audit.

Schedule of Expenditures of Federal Awards Opinion

The accompanying schedule of expenditures of federal awards is presented in appendix A for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part Unified School District No. 461's regulatory basis financial statement. This information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Prior Year Comparative Analysis

The 2014 Actual columns presented in the individual fund schedules of cash receipts and expenditures actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the June 30, 2015 financial statement upon which we rendered an unqualified opinion dated January 7, 2016. The 2014 financial statements and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards. Such 2014 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the 2014 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 financial statement or to the 2014 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2014 financial statement as a whole, on the basis of accounting described in Note 1.

Restricted Use

This report is intended solely for the information and use of the governing body and management of Unified School District No. 461, and for filing with the Kansas Department of Education, the Kansas Department of Administration, the cognizant federal agency, and other federal audit agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlatterbeck and Burns, LLC

January 7, 2016

Unified School District No. 461
Summary of Cash Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2015

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:						
General	\$ 185	4,951,041	4,951,217	9		9
Supplemental General	42,008	1,677,830	1,719,838			
Special Purpose:						
At Risk (4 Year Old)	1,114	36,999	36,807	1,306		1,306
At Risk (K-12)	13,785	600,000	599,455	14,330		14,330
Capital Outlay	417,549	305,900	417,470	305,979	57,300	363,279
Driver Training	11,032	2,512	2,662	10,882		10,882
Food Service	72,371	474,205	479,791	66,785		66,785
Professional Development	1,615	6,188	6,162	1,641		1,641
Parent Education Program		4,400	4,400			
Special Education	58,906	916,600	916,681	58,825		58,825
Vocational Education	10,001	204,095	203,860	10,236		10,236
KPERS Special Retirement Contribution		408,787	408,787			
Contingency Reserve	164,372		15,593	148,779		148,779
Recreation Commission	6,025	88,806	72,900	21,931		21,931
Special Mini-Grants	217	943	1,160			
Low Income ESEA (Title I)		156,527	156,527			
Improving Teacher Quality (Title II-A)		39,004	39,004			
Innovative Educ Prog Strategies (Title V)		21,839	21,839			
Gate Receipts	4,032	23,004	26,495	541		541
Special Projects	33,572	21,836	22,239	33,169		33,169
Bond and Interest:						
Bond and Interest	219,296	515,742	471,853	263,185		263,185
Capital Projects:						
School Building Capital Project		5,194,380	917,070	4,277,310	726,939	5,004,249
Total Primary Government (1)	<u>1,056,080</u>	<u>15,650,638</u>	<u>11,491,810</u>	<u>5,214,908</u>	<u>784,239</u>	<u>5,999,147</u>

Composition of Cash:

Cash on Hand	1,200
Community National Bank, Neodesha, Ks	743,870
Due from St of Ks (Recognized per KSA 10-1116a)	380,017
First Neodesha Bank, Neodesha, Ks	581,290
ICS - Community National Bank, Neodesha, Ks	4,366,127
Less: Agency Funds	(73,360)
Adjustment for Rounding	3
Total Primary Government (1)	<u>5,999,147</u>

(1) Excluding Agency Funds

Unified School District No. 461
Neodesha, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

Principles Used in Determining Scope of Entity

Neodesha Unified School District No. 461 is a municipal corporation governed by an elected seven-member board. This financial statement presents Neodesha Unified School District No. 461 as a primary government only. The school district has waived the application of accounting principles generally accepted in the United States of America and as such, has not included any component units in these financial statements.

B. Basis of Presentation

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The following Regulatory Basis Fund Types comprise the financial activities of the School for the year of 2015:

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific revenue sources that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business fund – funds financed in whole or in part by fees charged to users of the goods or services

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity.

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

C. Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.

The Kansas Municipal Accounting and Audit Guide regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The Kansas Municipal Accounting and Audit Guide regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The School has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the School to use the regulatory basis of accounting.

Unified School District No. 461
Neodesha, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2015

D. Budgets

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was amended by the following amounts during the year ended June 30, 2015:

<u>Fund</u>	<u>Original Budget</u>	<u>Amended Budget</u>
Bond and Interest Fund	\$ 374,725	491,953

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the School for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds and the following special revenue funds of the School:

ESEA Low Income Title I Fund	Improving Teacher Quality Grant Fund
Special Mini-Grants Fund	Gate Receipts Fund
Innovative Prog Strategies Title V Fund	Special Projects Fund
Contingency Reserve Fund	

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

E. Assets, Liabilities, and Fund Equity

Cash

To facilitate better management of the District's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash amount. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are credited to the special revenue funds designated by Kansas statutes.

Property Taxes and Other Receivables

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes.

Unified School District No. 461
Neodesha, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2015

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

F. Revenues and Expenditures

Property Tax Revenue Recognition

Property taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by the county.

Taxes levied to finance the budget are made available to the School after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January.

Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Interfund Transactions

Quasi-external transactions are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Note 2 – In Substance Receipt in Transit

The District received \$380,017 subsequent to June 30, 2015, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2015. \$321,404 of these receipts was for the General Fund and \$58,613 for the Supplemental General Fund. The total of these amounts is displayed in the “Composition of Cash” as “Due from State of Kansas”.

Note 3 – Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

No violations.

Compliance with Kansas Budget Law

No violations.

Compliance with Kansas Depository Security Law

No violations.

Note 4 - Deposits and Investments

Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the School. The statute requires banks eligible to hold the School’s funds have a main or branch bank in the county in which the School is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The School has no other policies that would further limit interest rate risk.

Unified School District No. 461
Neodesha, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2015

K.S.A. 12-1675 limits the School's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The School has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the School may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. State statutes require the School's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The School has no peak depository period designations. All deposits were legally secured at June 30, 2015.

Deposits

At June 30, 2015, the School's carrying amount of deposits was \$5,693,489 and the bank balance was \$6,196,286. Of the bank balance, \$571,866 was covered by federal depository insurance in local bank accounts and \$1,258,276 was collateralized with securities held by the pledging financial institutions' agents in the School's name. The remaining \$4,366,144 was covered by federal depository insurance through eighteen FDIC insured member institutions participating in the ICS (Insured Cash Sweep) Services program. Each of the member institutions held less than the \$250,000 FDIC coverage limit.

Investments:

As of June 30, 2015 the School held no investments.

Note 5 – Long-term Debt

General Obligation Bonds

Kansas Schools are limited to aggregate debt not to exceed 14% of assessed valuation of tangible taxable property within the School District. The School's assessed valuation at June 30, 2015 not including motor vehicle valuation was \$ 33,925,199. The resulting debt limit was \$ 4,749,500. Bonds issued during the 2015 fiscal year in the amount of \$5,445,000 caused the aggregate debt to exceed the legal debt limit. However, an order issued by the Kansas State Board of Education gave the School District authority to issue the series 2014 bonds in excess of the legal debt limit.

Changes in long-term liabilities for the School for the year ended June 30, 2015, were as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance end of Year</u>	<u>Interest Paid</u>
OUTSTANDING OBLIGATIONS:									
<u>General Obligation Bonds:</u>									
Series 2004 - Refunding	1.0/3.625	3/8/2004	2,840,000	9/1/2015	725,000		725,000	-	25,838
Series 2014						5,445,000		5,445,000	
<u>Capital Leases:</u>									
HVAC Controls	3.69%	6/30/2008	1,300,000	6/30/2018	573,000		130,550	442,450	20,152
5 School Busses	2.14%	3/5/2015	392,077	6/30/2020		392,077		392,077	
Total Long-Term Debt					<u>1,298,000</u>	<u>5,837,077</u>	<u>855,550</u>	<u>6,279,527</u>	<u>45,990</u>

Unified School District No. 461
Neodesha, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2015

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

Issue	2016	2017	2018	2019	2020	2021-25	2026-30	2031-35	Totals
Principal:									
<u>General Obligation Bonds:</u>									
Series 2014	375,000	200,000	200,000	205,000	215,000	1,165,000	1,390,000	1,695,000	5,445,000
<u>Capital Leases</u>									
HVAC Controls	137,344	142,037	146,071	16,999					442,451
5 School Busses	78,500	75,906	77,551	79,213	80,907				392,077
Total Principal	590,844	417,943	423,622	301,212	295,907	1,165,000	1,390,000	1,695,000	6,279,528
Interest:									
<u>General Obligation Bonds:</u>									
Series 2014	187,150	181,400	176,400	170,325	164,025	717,350	482,600	174,400	2,253,650
<u>Capital Leases</u>									
HVAC Controls	13,357	8,665	4,631	483					27,136
5 School Busses	4,144	6,738	5,093	3,431	1,734				21,140
Total Interest	204,651	196,803	186,124	174,239	165,759	717,350	482,600	174,400	2,301,926
Total Principal and Interest	795,495	614,746	609,746	475,451	461,666	1,882,350	1,872,600	1,869,400	8,581,454

The District issued \$5,445,000 general obligation refunding and improvement bonds, series 2014 dated August 15, 2014. Interest rates ranged from 2.0 to 4.0 percent. Sources and Uses of the bond issue were as follows:

Sources of Funds:

Principal Amount of the Bonds	\$ 5,445,000
Original Issue Premium	268,973
Transfers from District Funds	367,919
Total Sources	<u>6,081,892</u>

Uses of Funds:

Deposit to Improvement Fund	5,150,000
Deposit to Redemption Fund	767,919
Capitalized Interest	96,833
Costs of Issuance	40,000
Underwriter's Discount	57,140
Total Uses of Funds	<u>6,081,892</u>

Note 6 – Claims and Judgments

The School participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of January 28, 2015, grant expenditures have not been audited, but the School believes disallowed expenditures or overpayments, if any, will not have a material effect on individual governmental funds or the overall financial position of the School.

During the course of its operations, the School is a party to various claims, legal actions and complaints. It is the opinion of the School's management and legal counsel that these matters are not anticipated to have a material impact on the School.

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The School has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2014 to 2015, and there were no settlements that exceeded insurance coverage in the past three years.

Unified School District No. 461
Neodesha, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 7 - Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	Special Education Fund	K.S.A. 72-6428	\$ 773,000
General Fund	At-Risk (K-12) Fund	K.S.A. 72-6428	40,000
General Fund	Vocational Education Fund	K.S.A. 72-6428	153,000
Contingency Reserve	Supplemental General	K.S.A. 72-6433	15,585
Supp. General	Food Service Fund	K.S.A. 72-6433	50,000
Supp. General	At-Risk (4 Year Old) Fund	K.S.A. 72-6433	36,700
Supp. General	At-Risk (K-12) Fund	K.S.A. 72-6433	560,000
Supp. General	Professional Development Fund	K.S.A. 72-6433	6,000
Supp. General	Special Education Fund	K.S.A. 72-6433	142,566
Supp. General	Vocational Education Fund	K.S.A. 72-6433	46,298
Supp. General	Parent Education Program Fund	K.S.A. 72-6433	4,400

Note 8 - Other Long-Term Obligations from Operations

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the School allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the School is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Consolidated Omnibus Budget Reconciliation Act (COBRA)

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the School makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

The School does not provide any early retirement programs.

Compensated Absences.

The School District's policies regarding sick leave permit employees to earn ten days sick leave per year with no maximum accumulation. Employees may use up to a maximum of sixty days sick leave in one year. No compensation is paid for unused sick leave upon employment termination.

Defined Benefit Pension Plan

Plan description. The School District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, etc. seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the statutory required employers share.

Net Pension Liability. The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30,

Unified School District No. 461
Neodesha, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2015

2014 the net pension liability for KPERS was \$8,291,794,910. KPERS has determined the District's proportionate share of the net pension liability is \$ 6,253,605.00 as of June 30, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at www.kpers.org or can be obtained as described in the first paragraph above.

Note 9 - Summary Disclosure of Significant Contingencies

Federally Assisted Programs - Compliance Audits

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Note 10 - Economic Dependency

The school district is economically dependent on state and federal financial assistance. The revenue from the state and federal governments in relation to total revenues are displayed below for the general fund, supplemental general fund, bond and interest fund and all other funds.

	<u>Total Revenue</u>	<u>State Aid</u>	<u>%</u>	<u>Federal Aid</u>	<u>%</u>
General Fund	4,951,041	4,948,757	100.0		
Supp. General	1,677,830	1,148,085	68.4		
Bond and Interest	515,742	259,519	50.3		
Other Funds	<u>8,506,025</u>	<u>499,465</u>	<u>5.9</u>	<u>530,038</u>	<u>6.2</u>
Total All Funds	<u>15,650,638</u>	<u>6,855,826</u>	<u>43.8</u>	<u>483,602</u>	<u>3.4</u>

Note 11 - Advance Refund – Years Subsequent to year of the Refunding

Prior-year defeasance of debt

In prior years, the District refunded general obligation bond issues by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service of the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. On June 30, 2015, the defeased bonds outstanding are in the amount of \$ 375,000.

Note 12 - On Behalf Payments for Fringe Benefits

The District recognizes as revenues and expenses contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERS) on behalf of the District's employees. For the year ended June 30, 2015, the State made contributions of \$408,787. These contributions are recorded in the KPERS Contribution Fund as receipts and expenditures.

The State of Kansas reports these transactions on the cash basis of accounting and does not recognize encumbrances (i.e. commitments for unpaid contributions) as expenditures. Accordingly, the transactions reported in the School's KPERS Contribution Fund does not recognize any amounts due from the State for committed but unpaid contributions as of June 30, 2015. The unrecognized encumbrances at June 30, 2015 are in the amount of \$243,416, and represent the contributions due from the State for the first and second quarters of the 2015 calendar year in the amounts of \$136,271 and \$107,145 respectively.

Note 13 - Capital Projects

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

<u>Project</u>	<u>Project Authorization</u>	<u>Expenditures To Date</u>
Building Improvements	\$ 5,194,380	906,410

Unified School District No. 461
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

Schedule 1

	Certified Budget	Legal Max. Adjustment	Qualified Budget Cr. Adjustment	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
Governmental Type Funds:						
General	\$ 5,064,224	(113,007)		4,951,217	4,951,217	
Supplemental General	1,740,462	(20,624)		1,719,838	1,719,838	
Special Revenue:						
At Risk (4 Year Old)	39,700			39,700	36,807	2,893
At Risk (K-12)	674,500			674,500	599,455	75,045
Capital Outlay	457,000			457,000	417,470	39,530
Driver Training	7,550			7,550	2,662	4,888
Food Service	516,225		75,138	591,363	479,791	111,572
Professional Development	11,364			11,364	6,162	5,202
Parent Education Program	4,400			4,400	4,400	
Special Education	989,485			989,485	916,681	72,804
Vocational Education	228,300			228,300	203,860	24,440
KPERS Special Retirement Contribution	541,395			541,395	408,787	132,608
Recreation Commission	72,900			72,900	72,900	
Debt Service:						
Bond and Interest	472,053			472,053	471,853	200
Totals	<u>10,819,558</u>	<u>(133,631)</u>	<u>75,138</u>	<u>10,761,065</u>	<u>10,291,883</u>	<u>469,182</u>

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2015

(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 405,138			
Delinquent Taxes	11,732			
Total Revenue from Local Sources	416,870			
Revenue from County Sources				
Revenue in Lieu of Taxes	3,063			
Revenue from State Sources				
State Financial Aid	4,081,970	4,408,613	4,339,185	69,428
Mineral Production Tax	4,827	2,576		2,576
Special Education Aid	566,176	539,844	611,998	(72,154)
Total Revenue from State Sources	4,652,973	4,951,033	4,951,183	(150)
Operating Transfers				
Transfer from Contingency Reserve Fund		8		8
Total Cash Receipts	5,072,906	4,951,041	4,951,183	(142)
Expenditures and Transfers				
Instruction				
Certified Salaries	1,953,202	1,900,639	1,892,700	(7,939)
Non-Certified Salaries	83,877	83,049	78,000	(5,049)
Group Insurance	212,064	213,448	212,000	(1,448)
Social Security Contributions	149,554	144,078	140,000	(4,078)
Other Employee Benefits	9,176	9,839	17,000	7,161
Purchased Professional and Technical Services	10,781	8,507		(8,507)
Other Miscellaneous Purchased Services			12,000	12,000
Supplies and Materials		130		(130)
General Supplies and Materials	88,229	93,175	99,770	6,595
Textbooks	587	1,405		(1,405)
Miscellaneous Supplies	4,778	6,112	3,240	(2,872)
Property (Equipment & Furnishings)		1,209		(1,209)
Other	1,009	2,470	9,100	6,630
Total Instruction	2,513,257	2,464,061	2,463,810	(251)
Support Services - Students				
Certified Salaries	174,472	172,561	178,000	5,439
Non-Certified Salaries	14,096	15,697	15,000	(697)
Group Insurance	22,619	22,620	25,000	2,380
Social Security Contributions	13,761	13,703	15,000	1,297
Other Employee Benefits	350	169	500	331
Supplies and Materials	1,316	1,407	1,500	93
Other		1,400		(1,400)
Total Support Services - Students	226,614	227,557	235,000	7,443
Support Services - Instructional Staff				
Certified Salaries	59,800	59,800	61,000	1,200
Non-Certified Salaries	55,055	35,399	41,000	5,601
Group Insurance	15,344	15,337	17,500	2,163
Social Security Contributions	7,792	7,601	7,500	(101)
Other Employee Benefits	198	93	300	207
Books and Periodicals	15,893	11,781	16,200	4,419
Technology Supplies	1,155	1,203	2,000	797
Miscellaneous Supplies	725	1,759	2,000	241
Property (Equipment & Furnishings)	918	5,780	2,000	(3,780)
Total Support Services - Instructional Staff	156,880	138,753	149,500	10,747

General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory BasisFor the Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Support Services - General Administration					
Certified Salaries	\$	111,482	113,154	113,700	546
Non-Certified Salaries		21,635	21,960	22,000	40
Group Insurance		8,305	8,310	9,000	690
Social Security Contributions		10,162	10,381	11,000	619
Other Employee Benefits		328	231	500	269
Purchased Professional and Technical Services		9,184	7,913	8,500	587
Insurance Services		1,189	1,141	(	1,141)
Communication Services		6,986	5,872	7,000	1,128
Other Miscellaneous Purchased Services		9,657	9,263	11,200	1,937
Supplies and Materials		1,193	1,372	2,000	628
Other		12,517	3,522	10,000	6,478
Total Support Services - General Administration		192,638	183,119	194,900	11,781
Support Services - School Administration					
Certified Salaries		310,093	314,745	316,000	1,255
Non-Certified Salaries		109,029	119,775	112,300	(7,475)
Group Insurance		55,789	53,111	58,500	5,389
Social Security Contributions		30,578	32,269	31,000	(1,269)
Other Employee Benefits		877	400	1,000	600
Communication Services		24,755	19,385	25,000	5,615
Other Miscellaneous Purchased Services		8,389	5,455	8,500	3,045
Supplies and Materials		1,865	1	2,000	1,999
Other		2,215	197	2,200	2,003
Total Support Services - School Administration		543,590	545,338	556,500	11,162
Support Services - Plant Operation and Maintenance					
Non-Certified Salaries		264,933	149,277	174,500	25,223
Group Insurance		55,837	30,910	29,000	(1,910)
Social Security Contributions		22,839	14,220	12,000	(2,220)
Other Employee Benefits		2,131	176	500	324
Other			6	(	6)
Total Support Services - Plant Operation and Maintenance		345,740	194,589	216,000	21,411
Vehicle Operation Services					
Non-Certified Salaries		44,243	45,239	45,500	261
Group Insurance		5,580	5,580	5,800	220
Social Security Contributions		3,094	3,144	3,200	56
Other Employee Benefits		90	611	2,100	1,489
Insurance Services		14,595	11,469	16,000	4,531
Motor Fuel		41,631	31,880	45,000	13,120
Equipment			6,422	(	6,422)
Other		6,909	4,107	5,000	893
Total Vehicle Operation Services		116,142	108,452	122,600	14,148
Supervision Services					
Non-Certified Salaries		4,177	4,260	4,300	40
Social Security Contributions		195	200	200	
Total Supervision Services		4,372	4,460	4,500	40
Vehicle Servicing and Maintenance Services					
Non-Certified Salaries		459	284	(	284)
Social Security Contributions		35	22	(	22)
Other Employee Benefits		1			
Purchased Professional and Technical Services		5,593	24,128	25,000	872
Total Vehicle Servicing and Maintenance Services		6,088	24,434	25,000	566
Support Services - Business					
Non-Certified Salaries		64,905	65,878	66,800	922
Group Insurance		9,447	9,450	10,500	1,050
Social Security Contributions		4,285	4,616	4,400	(216)
Other Employee Benefits		136	57	200	143
Purchased Professional and Technical Services			3,098	(	3,098)
Other Purchased Services		11,784	9,201	13,000	3,799

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2015

(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget Variance Favorable (Unfavor)
Supplies and Materials	\$		233	500
Other		3,047	1,921	1,000
Total Support Services - Business		93,604	94,454	96,400
Fund Transfers				
Special Education		794,214	773,000	788,014
Vocational Education		39,940	153,000	172,000
At Risk (K-12)		40,000	40,000	40,000
Total Fund Transfers		874,154	966,000	1,000,014
Budget Adjustments				
Legal Max Adjustment				(113,007)
Total Expenditures and Transfers		5,073,079	4,951,217	4,951,217
Receipts Over (Under)				
Expenditures and Transfers	(	173)	(	176)
Unencumbered Cash, Beginning		326	185	
Prior Year Encumbrances Cancelled		32		
Unencumbered Cash, Ending		185	9	

Unified School District No. 461
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
Page 4 of 23

For the Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Ad Valorem Taxes	\$	686,984	397,632	406,910	(9,278)
Delinquent Taxes		23,450	27,553	10,841	16,712
Reimbursements		1,265			
Total Revenue from Local Sources		<u>711,699</u>	<u>425,185</u>	<u>417,751</u>	<u>7,434</u>
Revenue from County Sources					
Motor Vehicle Tax		80,288	87,162	82,501	4,661
Recreational Vehicle Tax		1,169	1,403	414	989
Revenue in Lieu of Taxes		2,236	408		408
Total Revenue from County Sources		<u>83,693</u>	<u>88,973</u>	<u>82,915</u>	<u>6,058</u>
Revenue from State Sources					
Supplemental State Aid		927,446	1,148,087	1,177,162	(29,075)
Operating Transfers					
Transfer from Contingency Reserve Fund			15,585		15,585
Total Cash Receipts		<u>1,722,838</u>	<u>1,677,830</u>	<u>1,677,828</u>	<u>2</u>
Expenditures and Transfers					
Instruction					
Other Employee Benefits			30,595	30,000	(595)
Textbooks		1,979	11,947	50,000	38,053
Technology Supplies				500	500
Property (Equipment & Furnishings)		8,897	7,573	19,010	11,437
Other		25,804	66,364	17,300	(49,064)
Total Instruction		<u>36,680</u>	<u>116,479</u>	<u>116,810</u>	<u>331</u>
Support Services - Students					
Other Employee Benefits			2,087	2,000	(87)
Support Services - Instructional Staff					
Certified Salaries		88,762	60,000	60,000	
Non-Certified Salaries		28,891	30,493	50,000	19,507
Group Insurance		5,791	5,540	11,000	5,460
Social Security Contributions		8,358	5,276	9,000	3,724
Other Employee Benefits		246	65	2,000	1,935
Purchased Property Services		2,268	6,194	10,000	3,806
Supplies and Materials				12,000	12,000
General Supplies and Materials		5,309	14,585		(14,585)
Property (Equipment & Furnishings)				25,000	25,000
Equipment		1,073	19,682		(19,682)
Other		240	75	10,000	9,925
Total Support Services - Instructional Staff		<u>140,938</u>	<u>141,910</u>	<u>189,000</u>	<u>47,090</u>
Support Services - General Administration					
Other Employee Benefits			1,471	1,500	29
Insurance Services		12,660	5,880	20,000	14,120
Other			12,410	2,000	(10,410)
Total Support Services - General Administration		<u>12,660</u>	<u>19,761</u>	<u>23,500</u>	<u>3,739</u>
Support Services - School Administration					
Other Employee Benefits			4,744	5,000	256
Support Services - Plant Operation and Maintenance					
Non-Certified Salaries		45,000	31,750		(31,750)
Other Employee Benefits			3,463	5,000	1,537
Water/Sewer Services (Non-Energy)		16,060	16,471	18,000	1,529
Cleaning Services		4,256	4,476	4,500	24
Repairs and Maintenance Services		134,764	144,183	40,000	(104,183)
Repair of Buildings		1,263	18,241	10,000	(8,241)
Insurance Services		2,077	44,707	50,000	5,293
Other Miscellaneous Purchased Services		13,781	13,351	10,000	(3,351)
General Supplies and Materials		12,635	20,267	20,000	(267)

Unified School District No. 461
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
Page 5 of 23

For the Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Heating	\$ 50,880	37,489	47,399	9,910
Electricity	221,215	234,114	230,000	(4,114)
Motor Fuel	5,047	4,337	6,000	1,663
Miscellaneous Supplies	1,995	2,039	1,000	(1,039)
Property (Equipment & Furnishings)	351	1,247	4,000	2,753
Other	4,175	4,837	6,000	1,163
Total Support Services - Plant Operation and Maintenance	<u>513,499</u>	<u>580,972</u>	<u>451,899</u>	<u>(129,073)</u>
Vehicle Servicing and Maintenance Services				
Purchased Professional and Technical Services	<u>28,181</u>			
Support Services - Business				
Group Insurance		4,300		(4,300)
Other Employee Benefits		3,321	2,000	(1,321)
Total Support Services - Business		<u>7,621</u>	<u>2,000</u>	<u>(5,621)</u>
Fund Transfers				
Food Service	65,000	50,000	87,938	37,938
Professional Development	7,500	6,000	9,750	3,750
Parent Education Program	4,400	4,400	4,400	
Special Education	120,000	142,566	142,566	
Vocational Education	169,615	46,298	46,298	
At Risk (4yr Old)	35,876	37,000	38,586	1,586
At Risk (K-12)	605,000	560,000	620,715	60,715
Total Fund Transfers	<u>1,007,391</u>	<u>846,264</u>	<u>950,253</u>	<u>103,989</u>
Budget Adjustments				
Legal Max Adjustment			(20,624)	(20,624)
Total Expenditures and Transfers	<u>1,739,349</u>	<u>1,719,838</u>	<u>1,719,838</u>	
Receipts Over (Under)				
Expenditures and Transfers	(16,511)	(42,008)		
Unencumbered Cash, Beginning	58,428	42,008		
Prior Year Encumbrances Cancelled	91			
Unencumbered Cash, Ending	<u>42,008</u>			

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2015

(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from Supplemental General Fund	\$ 35,876	36,999	38,586	(1,587)
Total Cash Receipts	<u>35,876</u>	<u>36,999</u>	<u>38,586</u>	<u>(1,587)</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	21,875	22,300	22,500	200
Non-Certified Salaries	8,778	8,959	9,100	141
Group Insurance	2,580	2,580	3,000	420
Social Security Contributions	2,339	2,386	3,000	614
Other Employee Benefits	60	29	100	71
General Supplies and Materials	2,048	553	1,000	447
Property (Equipment & Furnishings)			1,000	1,000
Total Expenditures and Transfers	<u>37,680</u>	<u>36,807</u>	<u>39,700</u>	<u>2,893</u>
Receipts Over (Under)				
Expenditures and Transfers	(1,804)	192		
Unencumbered Cash, Beginning	<u>2,918</u>	<u>1,114</u>		
Unencumbered Cash, Ending	<u>1,114</u>	<u>1,306</u>		

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2015

(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 40,000	40,000	40,000	
Transfer from Supplemental General Fund	605,001	560,000	620,715	(60,715)
Total Cash Receipts	<u>645,001</u>	<u>600,000</u>	<u>660,715</u>	<u>(60,715)</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	486,990	462,627	497,000	34,373
Non-Certified Salaries	37,711	29,814	27,000	(2,814)
Group Insurance	72,955	70,329	89,000	18,671
Social Security Contributions	37,383	34,802	40,000	5,198
Other Employee Benefits	1,259	427	1,500	1,073
General Supplies and Materials	410	183	10,000	9,817
Technology Supplies	419	1,048		(1,048)
Property (Equipment & Furnishings)	12,666		10,000	10,000
Other	230	225		(225)
Total Expenditures and Transfers	<u>650,023</u>	<u>599,455</u>	<u>674,500</u>	<u>75,045</u>
Receipts Over (Under)				
Expenditures and Transfers	(5,022)	545		
Unencumbered Cash, Beginning	<u>18,807</u>	<u>13,785</u>		
Unencumbered Cash, Ending	<u>13,785</u>	<u>14,330</u>		

Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended June 30, 2015

(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Ad Valorem Taxes	\$	91,229	182,675	192,938	(10,263)
Delinquent Taxes		869	2,174	1,467	707
Earnings on Investments		6,877	5,296	6,500	(1,204)
Other Revenue From Local Sources		34,926	23,677	35,000	(11,323)
Total Revenue from Local Sources		<u>133,901</u>	<u>213,822</u>	<u>235,905</u>	<u>(22,083)</u>
Revenue from County Sources					
Motor Vehicle Tax		1,797	7,779	7,525	254
Recreational Vehicle Tax		36	132	38	94
Revenue in Lieu of Taxes		473	197		197
Total Revenue from County Sources		<u>2,306</u>	<u>8,108</u>	<u>7,563</u>	<u>545</u>
Revenue from State Sources					
Capital Outlay State Aid			83,970	115,895	(31,925)
Total Cash Receipts		<u>136,207</u>	<u>305,900</u>	<u>359,363</u>	<u>(53,463)</u>
Expenditures and Transfers					
Instruction					
Technology Supplies			12,876	25,000	12,124
Property (Equipment & Furnishings)		127,696	7,891	50,000	42,109
Equipment			14,100		(14,100)
Total Instruction		<u>127,696</u>	<u>34,867</u>	<u>75,000</u>	<u>40,133</u>
Support Services - Instructional Staff					
Technology Supplies			53,990		(53,990)
Property (Equipment & Furnishings)			198		(198)
Equipment		1,934			
Total Support Services - Instructional Staff		<u>1,934</u>	<u>54,188</u>		<u>(54,188)</u>
Support Services - Plant Operation and Maintenance					
Non-Certified Salaries			129,465	140,500	11,035
Group Insurance			18,949	29,000	10,051
Social Security Contributions			8,820	12,000	3,180
Other Employee Benefits			1,989	500	(1,489)
Property (Equipment & Furnishings)		2,177	7,427		(7,427)
Total Support Services - Plant Operation and Maintenance		<u>2,177</u>	<u>166,650</u>	<u>182,000</u>	<u>15,350</u>
Facilities Acquisition and Construction Services					
Site Acquisition Services		5,000	1,294		(1,294)
Site Improvement Services			5,950		(5,950)
Building Additions/Service Systems		20,750			
Building Repair and Remodeling		195,412	154,521	200,000	45,479
Total Facilities Acquisition and Construction Services		<u>221,162</u>	<u>161,765</u>	<u>200,000</u>	<u>38,235</u>
Total Expenditures and Transfers		<u>352,969</u>	<u>417,470</u>	<u>457,000</u>	<u>39,530</u>
Receipts Over (Under)					
Expenditures and Transfers	(	216,762)	(	111,570)	
Unencumbered Cash, Beginning		<u>634,311</u>	<u>417,549</u>		
Unencumbered Cash, Ending		<u>417,549</u>	<u>305,979</u>		

Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended June 30, 2015

(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$ 3,501			
Revenue from State Sources				
State Financial Aid	2,380	2,512	2,380	132
Total Cash Receipts	<u>5,881</u>	<u>2,512</u>	<u>2,380</u>	<u>132</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	1,750	1,750	5,000	3,250
Social Security Contributions	134	134	200	66
Other Employee Benefits	2	2	100	98
General Supplies and Materials			250	250
Miscellaneous Supplies	29			
Property (Equipment & Furnishings)	92		250	250
Other	77	80		(80)
Total Instruction	<u>2,084</u>	<u>1,966</u>	<u>5,800</u>	<u>3,834</u>
Vehicle Operation and Maintenance Services				
Equipment and Vehicle Services			1,000	1,000
Motor Fuel	596	696	750	54
Total Vehicle Operation and Maintenance Services	<u>596</u>	<u>696</u>	<u>1,750</u>	<u>1,054</u>
Total Expenditures and Transfers	<u>2,680</u>	<u>2,662</u>	<u>7,550</u>	<u>4,888</u>
Receipts Over (Under)				
Expenditures and Transfers	3,201	(150)		
Unencumbered Cash, Beginning	<u>7,831</u>	<u>11,032</u>		
Unencumbered Cash, Ending	<u>11,032</u>	<u>10,882</u>		

Food Service Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2015

(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Student Sales	\$	80,800	88,325	82,360	5,965
Adults and Non-Reimbursable Programs		10,790	14,555	31,596	(17,041)
Miscellaneous		341	4,458	1,000	3,458
Total Revenue from Local Sources		<u>91,931</u>	<u>107,338</u>	<u>114,956</u>	<u>(7,618)</u>
Revenue from State Sources					
State Financial Aid		<u>4,003</u>	<u>4,198</u>	<u>3,429</u>	<u>769</u>
Revenue from Federal Sources					
Passed Through State of Kansas		<u>286,636</u>	<u>312,669</u>	<u>237,531</u>	<u>75,138</u>
Operating Transfers					
Transfer from Supplemental General Fund		<u>65,000</u>	<u>50,000</u>	<u>87,938</u>	<u>(37,938)</u>
Total Cash Receipts		<u>447,570</u>	<u>474,205</u>	<u>443,854</u>	<u>30,351</u>
Expenditures and Transfers					
Support Services - Plant Operation and Maintenance					
Non-Certified Salaries		2,917	500	3,200	2,700
Social Security Contributions		213	37	225	188
Other Employee Benefits		7			
Water/Sewer Services (Non-Energy)		860	170	1,300	1,130
Supplies and Materials			78		(78)
Heating		2,678	117	3,000	2,883
Electricity		<u>11,643</u>	<u>2,833</u>	<u>13,000</u>	<u>10,167</u>
Total Support Services - Plant Operation and Maintenance		<u>18,318</u>	<u>3,735</u>	<u>20,725</u>	<u>16,990</u>
Food Service Operations					
Non-Certified Salaries		113,615	108,951	117,000	8,049
Group Insurance		33,691	33,729	39,000	5,271
Social Security Contributions		7,709	7,425	8,000	575
Other Employee Benefits		201	1,417	2,500	1,083
Insurance Services				26,000	26,000
Other Miscellaneous Purchased Services		24,526	22,569		(22,569)
Food and Milk		242,046	256,494	273,000	16,506
Miscellaneous Supplies		2,113	5,474	5,000	(474)
Property (Equipment & Furnishings)		4,779	30,722	15,000	(15,722)
Other		<u>5,574</u>	<u>9,275</u>	<u>10,000</u>	<u>725</u>
Total Food Service Operations		<u>434,254</u>	<u>476,056</u>	<u>495,500</u>	<u>19,444</u>
Budget Credit Adjustment				<u>75,138</u>	<u>75,138</u>
Total Expenditures and Transfers		<u>452,572</u>	<u>479,791</u>	<u>591,363</u>	<u>111,572</u>
Receipts Over (Under)					
Expenditures and Transfers	(	5,002)	(	5,586)	
Unencumbered Cash, Beginning		<u>77,373</u>	<u>72,371</u>		
Unencumbered Cash, Ending		<u>72,371</u>	<u>66,785</u>		

Unified School District No. 461
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
Page 11 of 23

For the Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$ 65	189		189
Operating Transfers				
Transfer from Supplemental General Fund	7,501	5,999	9,750	(3,751)
Total Cash Receipts	<u>7,566</u>	<u>6,188</u>	<u>9,750</u>	<u>(3,562)</u>
Expenditures and Transfers				
Support Services - Instructional Staff				
Certified Salaries	1,915	160	2,000	1,840
Social Security Contributions	147	12	200	188
Other Employee Benefits	3			
Purchased Professional and Technical Services			500	500
Other Purchased Services	5,862	5,909	8,264	2,355
Miscellaneous Supplies		81	400	319
Total Expenditures and Transfers	<u>7,927</u>	<u>6,162</u>	<u>11,364</u>	<u>5,202</u>
Receipts Over (Under)				
Expenditures and Transfers	(361)	26		
Unencumbered Cash, Beginning	<u>1,976</u>	<u>1,615</u>		
Unencumbered Cash, Ending	<u>1,615</u>	<u>1,641</u>		

Unified School District No. 461
Parent Education Program Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
Page 12 of 23

For the Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from Supplemental General Fund	\$ 4,400	4,400	4,400	
Total Cash Receipts	<u>4,400</u>	<u>4,400</u>	<u>4,400</u>	
Expenditures and Transfers				
Support Services - Students				
LEA Payments to COOP (Local Share)	<u>4,400</u>	<u>4,400</u>	<u>4,400</u>	
Total Expenditures and Transfers	<u>4,400</u>	<u>4,400</u>	<u>4,400</u>	
Receipts Over (Under)				
Expenditures and Transfers				
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending				

Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2015

(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Other Revenue From Local Sources	\$	761	1,035		1,035
Operating Transfers					
Transfer from General Fund		794,214	772,999	788,014	(15,015)
Transfer from Supplemental General Fund		120,000	142,566	142,566	
Total Operating Transfers		914,214	915,565	930,580	(15,015)
Total Cash Receipts		914,975	916,600	930,580	(13,980)
Expenditures and Transfers					
Instruction					
Certified Salaries		13,583	13,458	15,000	1,542
Social Security Contributions		1,039	1,030	1,200	170
Other Employee Benefits		27	13		(13)
LEA Payments to COOP (Local Share)		346,951	371,446	382,584	11,138
LEA Payments to COOP (Flowthrough)		536,895	517,223	573,676	56,453
Other Miscellaneous Purchased Services		82			
Miscellaneous Supplies		4,634	4,084	5,000	916
Property (Equipment & Furnishings)		1,422	553	1,500	947
Other		537	1,889	500	(1,389)
Total Instruction		905,170	909,696	979,460	69,764
Vehicle Operation Services					
Non-Certified Salaries		4,353	4,253	4,500	247
Social Security Contributions		333	325	500	175
Other Employee Benefits		10	4	25	21
Insurance Services		1,996	1,027	2,000	973
Motor Fuel		1,834	1,376	3,000	1,624
Total Vehicle Operation Services		8,526	6,985	10,025	3,040
Total Expenditures and Transfers		913,696	916,681	989,485	72,804
Receipts Over (Under)					
Expenditures and Transfers		1,279	(81)		
Unencumbered Cash, Beginning		57,627	58,906		
Unencumbered Cash, Ending		58,906	58,825		

Vocational Education Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2015

(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$	1,000		
Revenue from Federal Sources				
Passed Through State of Kansas		4,098		
Other Federal Financial Assistance			4,796	4,796
Total Revenue from Federal Sources		4,098	4,796	4,796
Operating Transfers				
Transfer from General Fund		39,940	153,001	172,000 (18,999)
Transfer from Supplemental General Fund		169,615	46,298	46,298
Total Operating Transfers		209,555	199,299	218,298 (18,999)
Total Cash Receipts		214,653	204,095	218,298 (14,203)
Expenditures and Transfers				
Instruction				
Certified Salaries		168,475	164,020	171,800 7,780
Group Insurance		18,899	18,899	17,500 (1,399)
Social Security Contributions		12,470	12,144	13,500 1,356
Other Employee Benefits		331	150	500 350
Purchased Professional and Technical Services			160	(160)
General Supplies and Materials		2,345	3,172	(3,172)
Textbooks			417	5,000 4,583
Technology Supplies		42		5,000 5,000
Property (Equipment & Furnishings)		5,588	3,898	15,000 11,102
Equipment		3,908	1,000	(1,000)
Total Expenditures and Transfers		212,058	203,860	228,300 24,440
Receipts Over (Under)				
Expenditures and Transfers		2,595	235	
Unencumbered Cash, Beginning		7,406	10,001	
Unencumbered Cash, Ending		10,001	10,236	

Unified School District No. 461
KPERs Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
Page 15 of 23

For the Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Revenue from State Sources				
Other State Aid	\$	462,730	408,787	541,395
Total Cash Receipts		<u>462,730</u>	<u>408,787</u>	<u>541,395</u>
Expenditures and Transfers				
Instruction				
Employee Benefits		298,461	263,667	349,200
Support Services - Students				
Employee Benefits		20,360	17,987	23,820
Support Services - Instructional Staff				
Employee Benefits		12,494	11,037	14,618
Support Services - General Administration				
Employee Benefits		14,345	12,672	16,784
Support Services - School Administration				
Employee Benefits		46,273	40,879	54,140
Central Services				
Employee Benefits		19,897		
Support Services - Plant Operation and Maintenance				
Employee Benefits		33,779	29,842	39,521
Student Transportation Services				
Employee Benefits		5,553	4,906	6,497
Support Services - Business				
Employee Benefits			17,578	23,280
Food Service Operations				
Employee Benefits		11,568	10,219	13,535
Total Expenditures and Transfers		<u>462,730</u>	<u>408,787</u>	<u>541,395</u>
Receipts Over (Under)				
Expenditures and Transfers				
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending				

Unified School District No. 461
Contingency Reserve Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 16 of 23

For the Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$	
Expenditures and Transfers		
Instruction		
Certified Salaries	15,000	
Support Services - Instructional Staff		
General		8
Fund Transfers		
Supplemental General		15,585
Total Expenditures and Transfers	15,000	15,593
Receipts Over (Under)		
Expenditures and Transfers	(15,000)	(15,593)
Unencumbered Cash, Beginning	179,372	164,372
Unencumbered Cash, Ending	164,372	148,779

Unified School District No. 461
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
Page 17 of 23

For the Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Ad Valorem Taxes	\$	56,559	80,553	85,362	(4,809)
Delinquent Taxes		1,636	2,028	900	1,128
Motor Vehicle Tax				5,775	(5,775)
Revenue in Lieu of Taxes				29	(29)
Total Revenue from Local Sources		<u>58,195</u>	<u>82,581</u>	<u>92,066</u>	<u>(9,485)</u>
Revenue from County Sources					
Motor Vehicle Tax		5,346	6,039		6,039
Recreational Vehicle Tax		77	100		100
Revenue in Lieu of Taxes		303	86		86
Total Revenue from County Sources		<u>5,726</u>	<u>6,225</u>		<u>6,225</u>
Total Cash Receipts		<u>63,921</u>	<u>88,806</u>	<u>92,066</u>	<u>(3,260)</u>
Expenditures and Transfers					
Community Services Operations					
Other		58,000	72,900	72,900	
Total Expenditures and Transfers		<u>58,000</u>	<u>72,900</u>	<u>72,900</u>	
Receipts Over (Under)					
Expenditures and Transfers		5,921	15,906		
Unencumbered Cash, Beginning		<u>104</u>	<u>6,025</u>		
Unencumbered Cash, Ending		<u>6,025</u>	<u>21,931</u>		

Unified School District No. 461
Special Mini-Grants Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 18 of 23

For the Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Other Revenue From Local Sources	\$ 372	377
Revenue from Federal Sources		
Passed Through State of Kansas	500	566
Total Cash Receipts	<u>872</u>	<u>943</u>
Expenditures and Transfers		
Instruction		
General Supplies and Materials	372	378
Miscellaneous Supplies	500	782
Equipment	25	
Total Expenditures and Transfers	<u>897</u>	<u>1,160</u>
Receipts Over (Under)		
Expenditures and Transfers	(25)	(217)
Unencumbered Cash, Beginning	<u>242</u>	<u>217</u>
Unencumbered Cash, Ending	<u><u>217</u></u>	<u><u>217</u></u>

Unified School District No. 461
Low Income ESEA (Title I) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 19 of 23

For the Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 158,093	156,527
Total Cash Receipts	<u>158,093</u>	<u>156,527</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	76,025	70,722
Non-Certified Salaries	43,015	44,270
Group Insurance	17,918	22,118
Social Security Contributions	8,873	9,117
Other Employee Benefits	227	112
Purchased Professional and Technical Services	11,917	10,000
Other	<u>118</u>	<u>188</u>
Total Expenditures and Transfers	<u>158,093</u>	<u>156,527</u>
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning	_____	_____
Unencumbered Cash, Ending	=====	=====

Unified School District No. 461
Improving Teacher Quality (Title II-A) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 20 of 23

For the Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 38,875	39,004
Total Cash Receipts	<u>38,875</u>	<u>39,004</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	27,758	27,870
Group Insurance	4,985	4,985
Social Security Contributions	2,079	2,123
Other Employee Benefits	53	26
Other Purchased Services	4,000	4,000
Total Expenditures and Transfers	<u>38,875</u>	<u>39,004</u>
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning	_____	_____
Unencumbered Cash, Ending	=====	=====

Unified School District No. 461
Innovative Educ Prog Strategies (Title V) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 21 of 23

For the Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$	21,839
Total Cash Receipts		21,839
Expenditures and Transfers		
Instruction		
Equipment		21,839
Total Expenditures and Transfers		21,839
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2015

(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Ad Valorem Taxes	\$	132,522	134,000	142,113	(8,113)
Delinquent Taxes		6,091	6,253	2,078	4,175
Total Revenue from Local Sources		<u>138,613</u>	<u>140,253</u>	<u>144,191</u>	<u>(3,938)</u>
Revenue from County Sources					
Motor Vehicle Tax		19,511	18,698	17,617	1,081
Recreational Vehicle Tax		279	297	88	209
Revenue in Lieu of Taxes		973	142		142
Total Revenue from County Sources		<u>20,763</u>	<u>19,137</u>	<u>17,705</u>	<u>1,432</u>
Revenue from State Sources					
State Financial Aid		206,072	259,518	259,519	(1)
Other Sources					
Accrued Interest			96,834	96,833	1
Total Cash Receipts		<u>365,448</u>	<u>515,742</u>	<u>518,248</u>	<u>(2,506)</u>
Expenditures and Transfers					
Debt Service					
Interest (Coupons)		31,613	116,853	116,953	100
Other Miscellaneous Expenditures				100	100
Redemption of Principal		350,000	355,000	355,000	
Total Expenditures and Transfers		<u>381,613</u>	<u>471,853</u>	<u>472,053</u>	<u>200</u>
Receipts Over (Under)					
Expenditures and Transfers	(	16,165)	43,889		
Unencumbered Cash, Beginning		<u>235,461</u>	<u>219,296</u>		
Unencumbered Cash, Ending		<u>219,296</u>	<u>263,185</u>		

Unified School District No. 461
School Building Capital Project Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 23 of 23

For the Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Earnings on Investments	\$	4,380
Other Sources		
Sale of Bonds		5,190,000
Total Cash Receipts		5,194,380
Expenditures and Transfers		
Facilities Acquisition and Construction Services		
Architectural Services		150,244
Cost of Issuance		39,887
Construction Costs		726,939
Total Expenditures and Transfers		917,070
Receipts Over (Under)		
Expenditures and Transfers		4,277,310
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		4,277,310

Neodesha, Kansas

Agency Funds

Statement of Receipts, Expenditures and Cash Balances

For the Year Ended June 30, 2015

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organization Funds:				
High School:				
Art Honor Society	\$ 843		292	551
Band Club	1,301	6,510	5,030	2,781
Business Ed Club	2,847	1,280	2,414	1,713
Cheer Squad	3,302	9,062	12,102	262
Cheerleaders Jr Hi	691	5,382	3,960	2,113
Chorus Club	1,079	1,745	1,474	1,350
Chorus Scholarship Fund	684	477	146	1,015
Class of 2015	3,354	11,578	14,519	413
Class of 2016	4,591	3,218	4,285	3,524
Class of 2017	55	4,750	2,217	2,588
Class of 2018	165			165
Class of 2019	67			67
Class of 2020		54		54
Dance Team	298	1,916	1,779	435
Drama Club	1,518	3,953	3,981	1,490
Entrepreneurship	1,319	6,361	5,361	2,319
FBLA	1,122	1,140	1,618	644
F.C.A.	1,344	1,006	1,923	427
FCCLA., Jr.	1,536	3,032	3,649	919
FCCLA., Sr.	330	9,344	8,662	1,012
F.F.A.	3,843	41,071	42,757	2,157
FFA Scholarship Fund	2,334			2,334
Fund-It Program	718		718	-
Library Club	1,090	1,112	1,833	369
Mass Media	251		44	207
National Honor Society	10	1,504	1,208	306
Neodesha Chess Club	551	1,002	1,372	181
Shop Club	564	110	401	273
Renaissance		2,819	315	2,504
Skills	119	1,417	714	822
Stuco, Jr.	917	810	966	761
Stuco, Sr.	2,508	4,737	5,511	1,734
Student Fund Org.	1,241	1,967	3,086	122
Total Student Organizations	<u>40,592</u>	<u>127,357</u>	<u>132,337</u>	<u>35,612</u>
Other Agency Funds:				
Sales Tax	518	7,504	7,661	361
Total Other Agency Funds	<u>518</u>	<u>7,504</u>	<u>7,661</u>	<u>361</u>
Total Agency Funds	<u>41,110</u>	<u>134,861</u>	<u>139,998</u>	<u>35,973</u>

Neodesha, Kansas

District Activity Funds

Statement of Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2015

<u>Fund</u>	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<u>Gate Receipts:</u>						
High School:						
Athletics	4,033	23,004	26,495	542		542
Subtotal Gate Receipts	4,033	23,004	26,495	542	-	542
<u>Special Projects:</u>						
High School:						
Annual	3,618	5,995	7,036	2,577		2,577
Bluestreak Greenhouse	17,821	9,323	9,073	18,071		18,071
Total High School	21,439	15,318	16,109	20,648	-	20,648
North Lawn Elementary:						
G & W Fund	1,654	914	1,048	1,520		1,520
6th / Prom	518		54	464		464
Worlds Fair	1,889	909		2,798		2,798
Field	270			270		270
Market	23	620	605	38		38
Other	1,501	324	925	900		900
Planner	70			70		70
Pop	1,837	390		2,227		2,227
SFA/FS	146		32	114		114
Science	74			74		74
Box Tops	439			439		439
Total North Lawn	8,421	3,157	2,664	8,914	-	8,914
Heller Elementary:						
Amazon	165		43	122		122
ASD	-			-		-
Box Tops	243		187	56		56
Computers for Ed.	339			339		339
Flower & Gift Fund	129	838	273	694		694
G & W Fund	584	1,007	750	841		841
Heller Hut	257	750	465	542		542
Kinder Mats	25			25		25
Lunch	192		93	99		99
Other	919	624	795	748		748
Weekly Reader	860	142	860	142		142
Total Heller Elementary	3,713	3,361	3,466	3,608	-	3,608
Subtotal Special Projects	33,573	21,836	22,239	33,170	-	33,170
Total District Activity Funds	37,606	44,840	48,734	33,712	-	33,712

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Board of Education
Unified School District No. 461
Neodesha, Kansas

We have audited the statutory basis financial statements of Unified School District No. 461 as of and for the year ended June 30, 2015, and have issued our report thereon dated January 7, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Unified School District No. 461's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the statutory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 461's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 461's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.

We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 461's statutory basis financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Board of Education, others within the School, and Kansas Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,

Schlotterbeck and Burns, LLC

January 7, 2016

**Report on Compliance With Requirements Applicable to Each Major
Program and on Internal Control Over Compliance in Accordance
With OMB Circular A-133**

Board of Education
Unified School District No. 461
Neodesha, Kansas

Compliance

We have audited the compliance of Unified School District No. 461 with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2015. Unified School District No. 461's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Unified School District No. 461's management. Our responsibility is to express an opinion on Unified School District No. 461's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 461's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Unified School District No. 461's compliance with those requirements.

In our opinion, Unified School District No. 461 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2015.

Internal Control Over Compliance

The management of Unified School District No. 461 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Unified School District No. 461's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

A *control deficiency* in an School's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the School's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the School's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the School's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Board of Education, others within the School, Kansas Department of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,

Schlatterbeck and Burns, LLC

January 7, 2016

Unified School District No. 461
Neodesha, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2015

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the statutory basis financial statement of Unified School District No. 461 .
2. No reportable conditions were disclosed during the audit of the financial statements
3. No instances of noncompliance material to the financial statements of Unified School District No. 461 were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported.
5. The auditor's report on compliance for the major federal award programs for Unified School District No. 461 expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for Unified School District No. 461 are reported.
7. The programs tested as major programs included:

10.553/9 Child Nutrition Cluster
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Unified School District No. 461 was determined to be a high-risk auditee.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

(None Reported)

C. FEDERAL AWARD FINDINGS and QUESTIONED COSTS

(None Reported)

Unified School District No. 461
Neodesha, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grantor/Pass-through <u>Grantor/Program Title</u>	Federal CFDA <u>Number</u>	Federal <u>Expenditures</u>
U.S. Department of Agriculture		
Passed through Kansas State Department of Education		
School Breakfast Program	10.553	62,831 (1) (2)
National School Lunch Program	10.555	208,387 (1) (2)
Summer Food Service Program	10.559	18,575 (1) (2)
Team Nutrition Training Grant	10.574	475 (1) (2)
Child Nutrition Discretionary Grants	10.579	<u>22,401 (1) (2)</u>
Total U.S. Department of Agriculture		<u>312,669</u>
U.S. Department of Education		
Passed through Kansas State Department of Education		
ESEA Title I (Low Income) Aid	84.010	156,527
Carl Perkins	84.215	5,069
Innovative Education Program	84.298	21,839
Improving Teacher Quality (Title II-A)	84.367	<u>39,004</u>
Total U.S. Department of Education		<u>222,439</u>
Total Expenditures of Federal Awards		<u><u>535,108</u></u>

(1) These programs were considered as major programs.

(2) These programs are treated as a cluster

(3) The School District follows the statutory basis of accounting in preparing this schedule.

This method is consistent with the method used in the preparation of the School District's financial statements.